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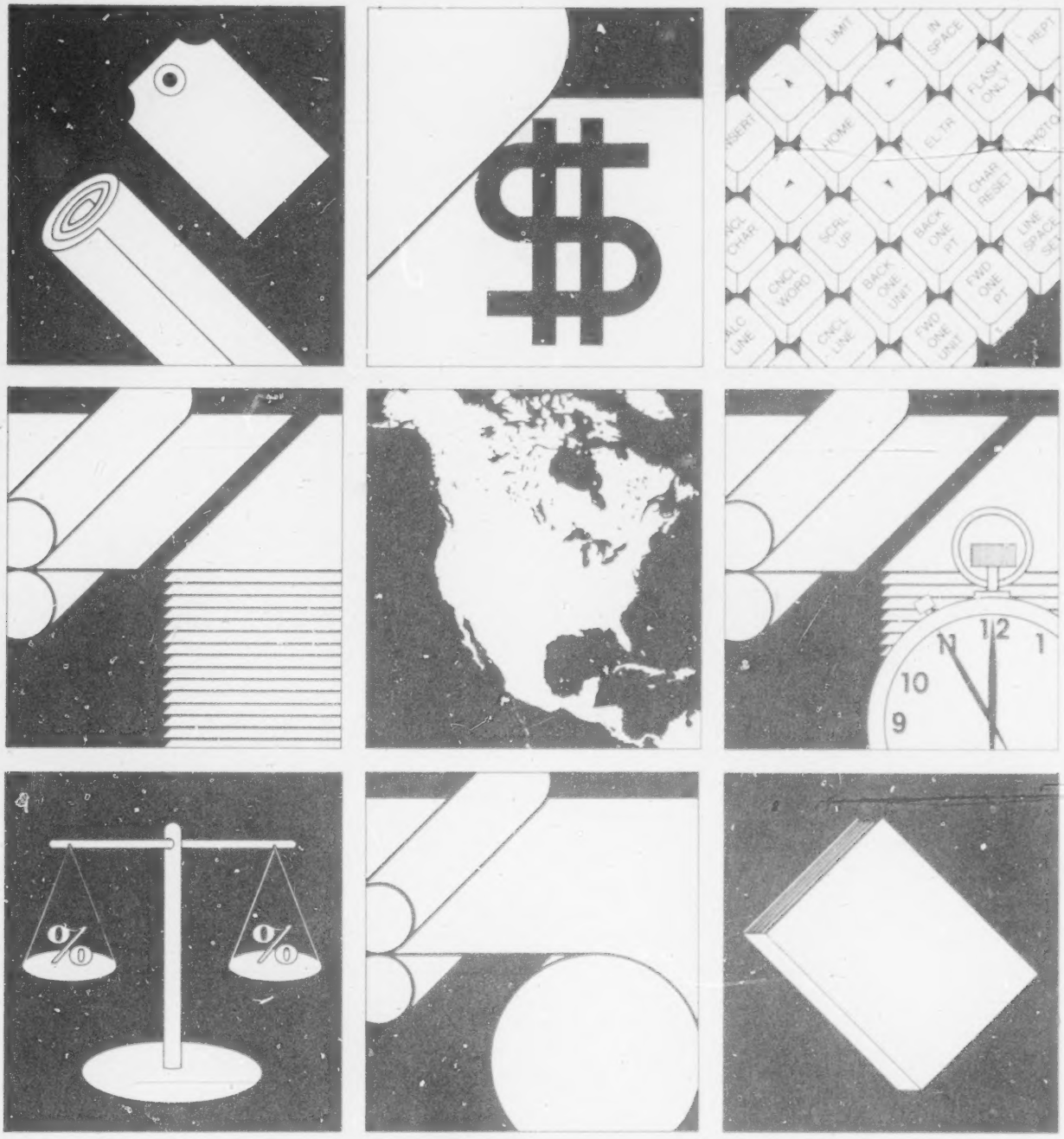
Printing Industries of America, Inc.

1984 Financial Ratios



Volume IX
Book Manufacturers' Ratios

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state, and city associations composed of over 11,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's Affiliated Associations automatically entitles an organization PIA membership.

PIA's Management Services Department is active in financial management offering numerous publications, conferences, and seminars:

- Best & Worst Markets for Printers in the 1980s - a unique marketing and financial planning aid, available by subscription
- Cost Accounting for the Job Order Printer
- Graphic Arts Estimating, Volume I
- Money Making Guide to Printing Estimating, revised edition
- Sales Compensation in the Printing Industry - 1983
- Simplified Cost System
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- Value Added Financial Management: A Guide for Printers
- 1981-82 Production Compensation Survey
- 1983 Survey of Sales Management: Practices and Compensation
- 1984 Executive Compensation Report
- Costing, Estimating, and Pricing Systems Conferences
- Managing your Printing Business Conferences

For information on any of the above contact the Management Services Department:

Printing Industries of America, Inc.
Management Services Department
1730 North Lynn Street
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In addition, PIA Financial Services offers the following publications and seminars:

- The Annual PIA Financial Ratio Study - A Multinational Financial Survey
- Money Manager - A Monthly newsletter
- Reprints of "Economics and Financial Management" articles from issues of PIA Management News
- Financial Management Seminars
- Seminars on financial applications for microcomputers

For further information, contact:

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61ST annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 1 Carlisle Drive, Arnold, Maryland 21012.

1984 FINANCIAL RATIOS

BOOK MANUFACTURERS

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PRINTING INDUSTRIES OF AMERICA, INC.

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Printed in U.S.A.

PRINTING INDUSTRIES OF AMERICA, INC.
1730 North Lynn Street, Arlington, VA 22209 (703) 841-8100

Dear Colleague:

1984 is the 61st year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the U.S. and Canadian graphic arts industries. In addition, it allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the U.S. and Canadian printing industry, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addresses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

Please refer your questions on the PIA Ratio Study to your nearest local PIA affiliated association or to William A. Rose, II, Director of Financial Services, Printing Industries of America, Inc., 1730 North Lynn Street, Arlington, VA 22209 (703) 841-8145.

Jim Olsen
Vice-President, Management Services
Printing Industries of America, Inc.

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1984 PIA FINANCIAL RATIOS FOR BOOK MANUFACTURERS. This Ratio Study was developed on the basis of questionnaires volunteered by 38 firms and presents the ratios and statistics of Book Manufacturers by sales volume, process specialty and product specialty.

Thus the user of the report can direct himself to the standards for his sales size — for example, sales from $.5 to $1.5 million, $1.5 to $5 million etc.; process specialty — for example, sheet-fed offset, web-fed offset or combination sheet-fed/web-fed offset; and product specialty — for example, printing and binding or printing only. Readers can compare the data from their own firm's financial statements with similar data from other firms in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies.

H.R. Margolis Company
Certified Public Accountants
Bala Cynwyd, Pennsylvania

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The National Association of Book Manufacturers (NABM), a special industry group of Printing Industries of America, Inc., represents the interests of book manufacturers. NABM provides information and services of special interest and benefit to this important segment of our industry.

NABM endorses the annual PIA Financial Ratio Study Program and encourages its use. If you would like more information about NABM, please do not hesitate to contact me.

Bill Hyatt
Senior Vice President
PIA Special Industry Groups

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VALUE ADDED DEFINED

Value added is simply your sales less material costs, which include paper, other chargeable materials and outside services. Value added is, therefore, that component of a sale attributable to your own manufacture. It is calculated as follows:

Sales		$100.00
Less Materials:		
Paper	$ 23.03	
Other chargeable materials	5.38	
Outside services	8.03	36.44
Value Added		$ 63.56

Other chargeable materials include ink, film, plates, etc., but not general supplies, such as repair or maintenance parts. Outside services are purchases of job-related services -- composition, offset preparation, printing, bindery, etc.

KNOWN BY OTHER TERMS

Value added is also known by such other terms as inside sales, conversion value, inside manufacturing value and real contribution to overhead and profit. Whatever the term, the concept of value added is of prime importance to the profitability of your operations.

CONCEPTUAL UNDERSTANDING OF VALUE ADDED

Once you observe that value added is the residual of sales less material costs, you realize that this value provided by your own manufacture is all you have available to pay your remaining expenses. These are:

- Factory labor
- Other factory expenses
- Administrative expenses
- Selling expenses
- Interest

Then, what is left is a profit. This is different from the basic "cost sheet concept" that we are accustomed to in the printing industry.

Since, generally, within a relevant range of operations, these expenses behave as fixed costs, the "overhead" represented by these expenses will remain practically constant. Therefore, you want to maximize your value added.

Let us illustrate this with the following example, in which we are increasing the value added derived from $1,000,000 of sales from $635,600 to $675,000 to see the effect on operating income. We will assume that "overhead" (factory labor; other factory, administrative, selling and interest expenses) will remain the same.

The assumption that these expenses will not increase is being taken with some license; actually they would increase, but very little. We are taking this liberty to prove the point that, within this relevant range, these expenses behave in a fixed manner. This helps to understand the effect of value added on profit.

	Original	After Increase in Value Added
SALES	$1,000,000	
Material Costs	364,400	
VALUE ADDED	635,600	$675,000
"Overhead"	591,000	591,000
Operating Income	$ 44,600	$ 84,000

STATEMENT OF OPERATIONS -- VALUE ADDED: THE BETTER STATEMENT

By eliminating the distortion that material costs introduce into the conventional operating statement, value added gives you a truer picture of your operations.

For example, if we were comparing the statement of operations of a short-run, sheet-fed company with that of a web-offset firm, and our comparison was related to percentages based on sales, we could have significant differences in ratios. The reason: the significant differences in material costs. It would appear that the web-offset operation had a lower factory labor cost because a substantial amount of the sale was materials. But, in truth, the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

Almost every company's product mix is different and, by using statements of operations based on value added, this product mix difference is eliminated. In conclusion, the Statement of Operations -- Value Added is a better statement with which to evaluate your operations.

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	45.73	38.08	32.90	32.92
FACTORY EXPENSES	19.89	20.02	19.40	20.63
TOTAL FACTORY COST OF PRODUCT	65.62	58.10	52.30	53.55
GROSS PROFIT	34.38	41.90	47.70	46.45
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	14.54	13.34	20.58	19.06
Selling expenses	10.56	9.66	6.06	4.06
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	25.10	23.00	26.64	23.12
INCOME BEFORE INTEREST EXPENSE	9.28	18.90	21.06	23.33
Interest expense	3.42	1.63	6.24	2.91
OPERATING INCOME	5.86	17.27	14.82	20.42
Other income	1.53	2.26	1.46	1.77
INCOME BEFORE INCOME TAXES	7.39	19.53	16.28	22.19

* See Page 10 for the definition of "Profit Leaders".

SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X
X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
49.04	30.03	43.98	33.51	46.88	46.11
20.72	21.39	20.09	20.56	18.66	18.90
69.76	51.42	64.07	54.07	65.54	65.01
30.24	48.58	35.93	45.93	34.46	34.99
15.32	12.44	14.48	17.40	11.69	8.98
10.31	6.10	11.16	11.62	11.61	12.15
25.63	18.54	25.64	29.02	23.30	21.13
4.61	30.04	10.29	16.91	11.16	13.86
3.55	2.16	4.08	1.20	1.65	1.15
1.06	27.88	6.21	15.71	9.51	12.71
1.30	0.66	1.46	3.24	1.94	2.50
2.36	28.54	7.67	18.95	11.45	15.21

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	3.52%	3.28%	1.57%	1.48%
Direct wages	31.08	25.05	27.14	26.87
General factory salaries and wages	3.48	3.03	0.42	0.64
Packing, shipping and delivery wages	1.20	0.85	0.16	0.24
Payroll taxes	2.66	2.36	1.71	1.32
Employee benefits	3.79	3.51	1.90	2.37
TOTAL FACTORY PAYROLL	45.73	38.08	32.90	32.92
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.37	0.47	0.50	0.75
Depreciation - other	4.04	4.18	4.66	3.32
Taxes - real estate	0.50	0.41	0.00	0.00
Taxes - other	0.21	0.24	0.09	0.00
Insurance	0.67	0.95	1.13	1.29
Building rent	1.31	0.87	1.70	1.18
Utilities - heat, light, etc.	2.11	2.29	1.38	1.27
Equipment rental	0.52	1.05	1.48	2.22
Total Fixed Expenses	9.73	10.46	10.94	10.03
Other Expenses				
Factory supplies and expense	3.66	4.00	3.43	3.10
Packing, shipping and delivery expense	1.83	1.23	1.71	1.25
Repairs and maintenance	2.80	2.47	1.81	1.76
Other factory expenses	1.87	1.86	1.51	4.49
Total Other Expenses	10.16	9.56	8.46	10.60
TOTAL FACTORY EXPENSES	19.89	20.02	19.40	20.63
ADMINISTRATIVE EXPENSES				
Salaries - executive	3.84	4.42	7.30	9.08
Salaries - office	3.63	3.23	5.13	5.18
Payroll taxes	0.53	0.48	0.65	0.48
Employee benefits	0.95	1.16	0.74	0.87
Bad debts	0.78	0.70	0.27	0.17
Office supplies and expenses	0.85	0.50	0.94	0.68
Professional fees	0.90	0.75	1.18	0.76
Taxes - business	0.35	0.21	0.24	0.19
Telephone	0.71	0.72	0.79	0.72
Other administrative expenses	2.00	1.17	3.34	0.93
TOTAL ADMINISTRATIVE EXPENSES	14.54	13.34	20.58	19.06
SELLING EXPENSES				
Salaries - executive	1.22	1.38	0.57	0.43
Salaries and commissions - salesmen	4.50	3.60	1.63	0.00
Salaries - sales office clerical	1.56	1.28	0.72	1.08
Payroll taxes	0.41	0.33	0.22	0.10
Employee benefits	0.40	0.39	0.12	0.18
Advertising	0.37	0.60	0.43	0.00
Travel and entertainment	1.15	1.30	1.26	1.39
Other selling expenses	0.95	0.78	1.11	0.88
TOTAL SELLING EXPENSES	10.56	9.66	6.06	4.06

SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.37%	4.84%	3.44%	1.88%	4.42%	4.21%
35.01	19.20	30.53	24.28	27.35	27.14
2.93	0.56	3.36	1.74	5.30	5.75
1.30	0.63	1.42	1.02	1.12	1.08
2.67	1.79	2.39	2.25	3.24	3.07
3.76	3.01	2.84	2.34	5.45	4.86
49.04	30.03	43.98	33.51	46.88	46.11
0.19	0.00	0.33	0.26	0.62	0.68
4.13	4.45	4.03	5.45	3.73	3.65
0.58	0.16	0.53	0.44	0.51	0.65
0.19	0.12	0.12	0.09	0.40	0.48
0.80	2.30	0.56	1.02	0.49	0.24
1.93	1.34	1.44	1.96	0.17	(0.09)
2.08	1.81	1.72	1.79	2.78	3.19
0.63	2.14	0.17	0.00	0.47	0.77
10.53	12.32	8.90	11.01	9.17	9.57
3.20	3.58	3.70	4.29	4.32	4.35
2.05	2.88	2.21	1.13	1.13	0.61
2.95	1.62	3.06	3.12	2.63	2.71
1.99	0.99	2.22	1.01	1.41	1.66
10.19	9.07	11.19	9.55	9.49	9.33
20.72	21.39	20.09	20.56	18.66	18.90
3.94	3.27	3.92	5.16	2.55	2.58
3.73	1.80	3.35	4.79	3.35	2.10
0.55	0.50	0.61	0.78	0.39	0.28
1.10	3.59	0.79	0.81	0.98	0.51
0.75	0.00	1.24	1.71	0.49	0.58
1.27	0.43	0.65	0.57	0.45	0.40
0.98	1.03	0.95	0.80	0.64	0.61
0.34	0.15	0.26	0.19	0.52	0.26
0.68	0.55	0.93	1.31	0.47	0.43
1.98	1.12	1.78	1.28	1.85	1.23
15.32	12.44	14.48	17.40	11.69	8.98
1.28	2.84	1.21	0.75	1.35	1.56
4.54	0.00	5.75	7.10	3.96	4.38
1.46	0.00	1.28	0.58	2.26	2.29
0.34	0.19	0.53	0.48	0.41	0.39
0.24	0.00	0.34	0.32	0.79	0.67
0.59	2.67	0.27	0.46	0.15	0.10
1.13	0.00	1.02	1.75	1.28	1.52
0.73	0.40	0.76	0.18	1.41	1.24
10.31	6.10	11.16	11.62	11.61	12.15

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIALS				
Paper	24.81	22.16	20.63	20.94
Other chargeable materials	6.64	7.28	3.57	2.91
Outside services	8.80	10.07	17.49	19.41
TOTAL MATERIALS	40.25	39.51	41.69	43.26
FACTORY PAYROLL	27.35	23.33	19.04	18.45
FACTORY EXPENSES	11.89	12.06	11.33	11.80
TOTAL FACTORY COST OF PRODUCT	79.49	74.90	72.06	73.51
GROSS PROFIT	20.51	25.10	27.94	26.49
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	8.72	7.92	12.05	10.82
Selling expenses	6.29	5.88	3.60	2.31
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	15.01	13.80	15.65	13.13
INCOME BEFORE INTEREST EXPENSE	5.50	11.30	12.29	13.36
Interest expense	1.99	0.92	3.77	1.70
OPERATING INCOME	3.51	10.38	8.52	11.66
Other income	0.90	1.33	0.84	1.01
INCOME BEFORE INCOME TAXES	4.41	11.71	9.36	12.67

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	1.48%	2.18%	0.71%	0.48%
Film	1.42	1.42	0.92	0.49
Plates	1.72	1.81	1.87	1.84
Other chargeable materials	2.02	1.87	0.07	0.10
TOTAL OTHER CHARGEABLE MATERIALS	6.64	7.28	3.57	2.91
OUTSIDE SERVICES				
Composition	0.80	0.55	1.62	1.80
Offset preparation	1.12	0.80	2.18	2.42
Printing	1.66	3.56	10.99	12.19
Binding	3.48	2.49	1.61	1.79
Other outside services	1.74	2.67	1.09	1.21
TOTAL OUTSIDE SERVICES	8.80	10.07	17.49	19.41

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
*** Information not submitted.

SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
23.27	20.40	32.21	30.71	20.02	18.22
6.19	7.28	4.53	4.87	10.52	10.48
8.43	7.35	8.92	11.37	6.60	6.64
37.89	35.03	45.66	46.95	37.14	35.34
30.49	19.74	23.70	17.95	29.48	29.95
12.77	14.03	11.07	10.77	11.73	12.15
81.15	68.80	80.43	75.67	78.35	77.44
18.85	31.20	19.57	24.33	21.65	22.56
9.64	8.29	7.90	9.19	7.34	5.85
6.30	3.75	6.06	6.39	7.32	7.85
15.94	12.04	13.96	15.58	14.66	13.70
2.91	19.16	5.61	8.75	6.99	8.86
2.18	1.33	2.18	0.57	0.97	0.67
0.73	17.83	3.43	8.18	6.02	8.19
0.81	0.51	0.73	1.67	1.22	1.60
1.54	18.34	4.16	9.85	7.24	9.79
1.21%		1.10%	1.49%	2.44%	3.35%
1.28		0.83	0.96	2.43	2.09
1.43		1.31	1.64	2.14	1.84
2.27		1.29	0.78	3.51	3.20
6.19	***	4.53	4.87	10.52	10.48
1.36	0.10%	0.38		0.17	0.03
1.95	0.41	0.62		0.09	0.00
1.16	0.00	0.53		0.38	0.18
3.21	6.84	5.96		2.01	0.27
0.75	0.00	1.43		3.95	6.16
8.43	7.35	8.92	***	6.60	6.64

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.12%	2.07%	0.90%	0.82%
Direct wages	18.49	15.06	15.76	15.11
General factory salaries and wages	2.12	1.99	0.23	0.35
Packing, shipping and delivery wages	0.71	0.54	0.09	0.13
Payroll taxes	1.60	1.44	0.99	0.73
Employee benefits	2.31	2.23	1.07	1.31
TOTAL FACTORY PAYROLL	27.35	23.33	19.04	18.45
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.23	0.29	0.28	0.41
Depreciation - other	2.39	2.45	2.77	1.90
Taxes - real estate	0.30	0.24	0.00	0.00
Taxes - other	0.14	0.16	0.06	0.00
Insurance	0.39	0.55	0.64	0.72
Building rent	0.75	0.49	1.02	0.69
Utilities - heat, light, etc.	1.27	1.39	0.60	0.71
Equipment rental	0.32	0.66	0.86	1.30
Total Fixed Expenses	5.79	6.23	6.43	5.73
Other Expenses				
Factory supplies and expense	2.23	2.48	2.00	1.75
Packing, shipping and delivery expense	1.12	0.78	1.02	0.73
Repairs and maintenance	1.64	1.45	1.05	0.99
Other factory expenses	1.11	1.12	0.83	2.60
Total Other Expenses	6.10	5.83	4.90	6.07
TOTAL FACTORY EXPENSES	11.89	12.06	11.33	11.80
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.32	2.66	4.21	5.16
Salaries - office	2.15	1.82	2.97	2.92
Payroll taxes	0.32	0.28	0.38	0.27
Employee benefits	0.58	0.73	0.42	0.48
Bad debts	0.46	0.42	0.16	0.10
Office supplies and expenses	0.51	0.29	0.56	0.40
Professional fees	0.53	0.45	0.71	0.44
Taxes - business	0.22	0.14	0.14	0.11
Telephone	0.42	0.42	0.47	0.41
Other administrative expenses	1.21	0.71	2.03	0.53
TOTAL ADMINISTRATIVE EXPENSES	8.72	7.92	12.05	10.82
SELLING EXPENSES				
Salaries - executive	0.72	0.84	0.33	0.24
Salaries and commissions - salesmen	2.65	2.14	1.01	0.00
Salaries - sales office clerical	0.94	0.83	0.40	0.60
Payroll taxes	0.24	0.20	0.13	0.05
Employee benefits	0.25	0.25	0.06	0.10
Advertising	0.22	0.37	0.26	0.00
Travel and entertainment	0.68	0.75	0.74	0.81
Other selling expenses	0.59	0.50	0.67	0.51
TOTAL SELLING EXPENSES	6.29	5.88	3.60	2.31

SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
2.08%	3.13%	1.91%	1.14%	2.75%	2.72%
21.78	12.66	16.26	12.53	17.21	17.51
1.79	0.39	1.93	1.06	3.35	3.85
0.80	0.43	0.79	0.62	0.70	0.70
1.67	1.18	1.28	1.18	2.03	1.99
2.37	1.95	1.53	1.42	3.44	3.18
30.49	19.74	23.70	17.95	29.48	29.95
0.12	0.00	0.19	0.15	0.40	0.44
2.54	2.80	2.22	2.92	2.28	2.26
0.37	0.11	0.26	0.21	0.32	0.41
0.12	0.08	0.07	0.05	0.26	0.33
0.50	1.47	0.27	0.46	0.29	0.16
1.14	0.87	0.78	1.02	0.10	(0.06)
1.30	1.17	0.94	0.93	1.74	2.02
0.41	1.47	0.07	0.00	0.30	0.48
6.50	7.97	4.80	5.74	5.69	6.04
2.01	2.40	2.08	2.25	2.78	2.91
1.26	1.93	1.34	0.68	0.71	0.41
1.81	1.05	1.60	1.65	1.62	1.68
1.19	0.68	1.25	0.45	0.93	1.11
6.27	6.06	6.27	5.03	6.04	6.11
12.77	14.03	11.07	10.77	11.73	12.15
2.50	2.16	2.23	2.95	1.60	1.67
2.32	1.19	1.74	2.20	2.11	1.41
0.35	0.33	0.34	0.41	0.25	0.19
0.73	2.44	0.40	0.43	0.61	0.34
0.47	0.00	0.68	0.99	0.31	0.37
0.79	0.27	0.33	0.28	0.28	0.26
0.62	0.68	0.50	0.41	0.40	0.39
0.21	0.10	0.15	0.12	0.33	0.18
0.43	0.35	0.52	0.74	0.28	0.26
1.22	0.77	1.01	0.66	1.17	0.78
9.64	8.29	7.90	9.19	7.34	5.85
0.78	1.74	0.67	0.45	0.82	0.94
2.80	0.00	3.05	3.82	2.49	2.84
0.86	0.00	0.73	0.35	1.45	1.54
0.20	0.12	0.28	0.27	0.26	0.26
0.15	0.00	0.19	0.20	0.50	0.44
0.36	1.64	0.16	0.28	0.10	0.07
0.70	0.00	0.54	0.91	0.78	0.93
0.45	0.25	0.44	0.11	0.92	0.83
6.30	3.75	6.06	6.39	7.32	7.85

BALANCE SHEET

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	3.35%	6.63%	6.60%	9.86%
Receivables	35.77	33.88	19.60	25.18
Inventories	17.47	16.40	19.55	16.13
Other current assets	3.60	6.42	9.56	14.34
TOTAL CURRENT ASSETS	60.19	63.33	55.31	65.51
FIXED ASSETS				
Real estate	14.32	15.74	18.64	25.88
Less: Accumulated depreciation	4.67	4.78	6.35	8.65
	9.65	10.96	12.29	17.23
Machinery and equipment	54.82	41.39	42.30	34.72
Less: Accumulated depreciation	32.29	23.80	27.37	24.44
	22.53	17.59	14.93	10.28
Other fixed assets	7.05	7.91	19.39	8.78
Less: Accumulated depreciation	2.77	2.20	2.30	1.82
	4.28	5.71	17.09	6.96
NET FIXED ASSETS	36.46	34.26	44.31	34.47
OTHER ASSETS	3.35	2.41	0.38	0.02
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	11.91	2.70	14.14	7.35
Accounts payable	16.12	11.14	11.97	8.40
Other current liabilities	8.70	10.43	8.24	11.28
TOTAL CURRENT LIABILITIES	36.73	24.27	34.35	27.03
LONG-TERM LIABILITIES	24.34	12.63	19.41	5.48
TOTAL LIABILITIES	61.07	36.90	53.76	32.51
SHAREHOLDERS' AND PROPRIETORS' EQUITY	38.93	63.10	46.24	67.49
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.64	2.61	1.61	2.42
QUICK RATIO	1.16	1.93	1.04	1.83
TOTAL LIABILITIES TO EQUITY	1.57	0.58	1.16	0.48
LONG-TERM LIABILITIES TO EQUITY	0.63	0.20	0.42	0.08
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.59	0.58	0.65	0.70

SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
4.17%	10.79%	3.46%	11.47%	1.11%	0.77%
38.14	34.15	39.18	40.15	33.53	33.48
17.26	12.85	18.49	20.53	16.01	15.44
2.19	7.10	2.08	1.58	5.49	5.90
61.76	64.89	63.21	73.73	56.14	55.59
12.20	0.00	8.24	5.10	22.67	24.37
3.85	0.00	3.06	0.95	7.07	7.43
8.35	0.00	5.18	4.15	15.60	16.94
60.19	21.67	57.93	55.02	47.62	43.76
39.92	9.27	31.09	36.27	24.39	21.87
20.27	12.40	26.84	18.75	23.23	21.89
7.05	20.78	8.46	7.82	1.79	2.47
2.89	1.63	4.50	4.85	0.84	1.00
4.16	19.15	3.96	2.97	0.95	1.47
32.78	31.55	35.98	25.87	39.78	40.30
5.46	3.56	0.81	0.40	4.08	4.11
100.00	100.00	100.00	100.00	100.00	100.00
11.28	1.89	19.67	1.81	3.57	1.71
16.37	6.13	21.04	18.34	11.60	9.89
8.03	6.63	6.97	7.42	11.68	13.43
35.68	14.65	47.68	27.57	26.85	25.03
31.11	11.84	21.14	13.66	19.88	15.18
66.79	26.49	68.82	41.23	46.73	40.21
33.21	73.51	31.18	58.77	53.27	59.79
100.00	100.00	100.00	100.00	100.00	100.00
1.73	4.43	1.33	2.67	2.09	2.22
1.25	3.55	0.94	1.93	1.49	1.60
2.01	0.36	2.21	0.70	0.88	0.67
0.94	0.16	0.68	0.23	0.37	0.25
0.66	0.43	0.54	0.66	0.51	0.50

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 35,707	$ 47,719	$ 36,411	$ 32,526
Average assets per factory employee (Excluding Executives)	47,932	62,721	54,397	47,040
Average net worth per employee - All employees	14,937	29,584	14,482	20,899
Average gross plant investment per factory employee (Excluding Executives)	35,820	42,014	43,981	30,656
Net worth percentage of fixed assets	138.19%	230.57%	132.87%	196.39%
EMPLOYEES				
Percent factory - All employees	79.06%	79.98%	69.56%	71.23%
Percent administrative - All employees	11.54	12.75	24.99	26.75
Percent sales - All employees	9.40	7.27	5.45	2.02
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 64,466	$ 80,623	$ 62,385	$ 65,302
Sales per factory employee	82,349	101,296	90,941	93,707
Sales less material per factory employee	48,073	59,565	53,285	53,685
Sales per administrative employee	678,446	891,737	249,125	241,936
EXCLUDING EXECUTIVES				
Sales per employee - All employees	70,530	89,705	71,241	76,655
Sales per factory employee	86,760	106,499	92,876	95,083
Sales less material per factory employee	50,696	62,817	54,416	54,444
SALES PER SALESMAN	1,120,712	1,666,168	175,047	0
SALES TO CURRENT ASSETS	331%	293%	325%	304%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES				
Total payroll percentage of sales	37.53%	33.08%	28.95%	28.27%
Factory payroll percentage of gross plant investment	79.70	83.82	42.83	51.58
Payroll per employee - All employees	$ 22,842	$ 24,778	$ 16,936	$ 16,830
Payroll per factory employee	20,995	21,478	15,722	14,951
Payroll per administrative employee	30,023	36,324	19,736	21,319
Payroll per sales employee	34,380	44,303	13,496	11,479
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 17,719	$ 18,189	$ 13,508	$ 13,276
Payroll per factory employee	17,180	17,077	13,996	13,460
Payroll per administrative employee	15,652	16,501	11,289	12,153
Payroll per sales employee	26,253	29,183	10,761	8,695
EXECUTIVE PAYROLL				
Payroll per executive - All executives	41,834	46,451	30,523	28,506
Payroll per factory executive	32,021	32,908	16,817	11,900
Payroll per administrative executive	51,321	56,705	32,975	29,068
Payroll per sales executive	39,846	56,355	20,077	13,865
RECEIVABLES				
Collection period	70.6	71.0	35.8	41.6
PROFIT				
Gross profit percentage of sales	20.51%	25.10%	27.94%	26.49%
Average gross profit per factory employee	$ 18,623	$ 27,613	$ 26,990	$ 26,846
Income before taxes percentage of sales	4.41%	11.71%	9.36%	12.67%
Average income before taxes per employee	$ 3,757	$ 9,998	$ 6,431	$ 8,870

SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 33,337	$ 73,989	$ 36,237	$ 47,320	$ 38,231	$ 43,528
44,321	94,460	49,141	65,123	49,719	54,858
12,453	51,761	12,804	27,467	20,899	25,459
33,968	54,345	35,973	45,500	35,794	39,533
157.66%	390.26%	113.05%	274.29%	140.18%	154.12%
79.40%	85.82%	78.42%	75.95%	82.15%	83.57%
10.96	11.22	10.97	14.23	8.95	6.87
9.64	2.96	10.61	9.82	8.90	9.56
$ 56,539	$104,521	$ 73,317	$ 90,660	$ 66,450	$ 71,170
72,141	123,880	94,598	119,320	80,589	84,483
44,225	78,299	49,514	60,913	50,310	53,614
556,589	936,175	709,261	657,918	943,947	1,274,174
62,111	121,446	79,236	97,696	72,525	77,435
75,897	132,944	98,894	123,246	86,785	90,438
46,505	84,070	51,890	63,281	54,132	57,387
567,700	0	1,137,048	1,284,052	1,641,352	1,819,014
330%	271%	334%	260%	331%	317%
41.19%	27.71%	33.34%	29.03%	39.57%	39.58%
94.71	148.97	68.64	57.78	81.91	86.28
$ 21,292	$ 25,491	$ 23,720	$ 25,661	$ 25,819	$ 27,143
20,006	21,101	21,373	20,736	23,547	24,683
27,464	41,573	31,553	40,987	35,007	37,428
29,500	48,606	35,314	48,922	46,451	52,939
$ 16,558	$ 14,493	$ 18,756	$ 19,722	$ 19,467	$ 20,714
16,477	14,637	17,894	17,121	18,333	19,474
14,314	12,992	15,769	19,965	18,705	17,567
20,187	0	30,250	44,509	34,995	39,856
38,067	56,570	43,959	49,505	48,162	47,749
30,766	58,795	33,670	24,692	36,523	35,886
42,599	50,190	53,130	62,517	67,046	66,879
17,090	45,544	34,851	27,385	83,127	95,058
75.6	73.8	75.5	88.3	68.7	71.1
18.85%	31.20%	19.57%	24.33%	21.65%	22.56%
$ 16,307	$ 44,838	$ 19,184	$ 29,045	$ 18,739	$ 20,171
1.54%	18.34%	4.16%	9.85%	7.24%	9.79%
$ 2,668	$ 20,562	$ 3,349	$ 8,762	$ 4,928	$ 6,965

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 1.68	$ 3.24	$ 4.03	$ 6.01
Receivables	18.49	18.88	9.78	11.38
Inventories	9.29	9.41	13.06	9.28
Marketable securities	0.87	2.02	0.45	0.67
Other current assets	1.13	1.63	3.78	5.67
	31.46	35.18	31.10	33.01
Plant Investment:				
Land and building	8.81	10.09	11.60	15.78
Machinery and equipment	29.93	24.65	27.45	18.74
Other fixed assets	4.16	5.10	13.25	4.01
	42.90	39.84	52.30	38.53
Non-Current Assets	2.21	1.81	0.29	0.01
TOTAL INVESTMENT	76.57	76.83	83.69	71.55
INVESTMENT TURNOVER PER $100 OF SALES	130.60%	130.16%	119.49%	139.76%
EARNINGS				
Cost of Product	$79.49	$74.90	$72.06	$73.51
Selling Expenses	6.29	5.88	3.60	2.31
Administrative Expenses	8.72	7.92	12.05	10.82
	94.50	88.70	87.71	86.64
Income Before Interest, Other Income, and Taxes	5.50	11.30	12.29	13.36
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	7.18%	14.71%	14.69%	18.67%

SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 2.09	$ 5.28	$ 1.37	$ 4.41	$ 0.75	$ 0.61
19.59	20.23	19.53	22.62	18.42	19.09
8.95	8.36	9.14	11.07	8.79	8.89
0.25	1.74	0.03	0.00	2.79	3.89
0.84	1.59	1.06	1.13	0.82	0.33
31.72	37.20	31.13	39.23	31.57	32.81
8.11	0.00	4.58	4.12	13.61	15.43
33.56	13.90	28.88	31.51	26.73	27.18
4.49	16.48	4.19	4.53	0.93	1.34
46.16	30.38	37.65	40.16	41.27	43.95
3.62	2.66	0.39	0.20	2.82	3.16
81.50	70.24	69.17	79.59	75.66	79.92
122.70%	142.37%	144.57%	125.64%	132.17%	125.13%
$81.15	$68.80	$80.43	$75.67	$78.35	$77.44
6.30	3.75	6.06	6.39	7.32	7.85
9.64	8.29	7.90	9.19	7.34	5.85
97.09	80.84	94.39	91.25	93.01	91.14
2.91	19.16	5.61	8.75	6.99	8.86
3.57%	27.28%	8.11%	10.99%	9.24%	11.09%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%
FACTORY PAYROLL	44.92	37.98
FACTORY EXPENSES	20.57	19.27
TOTAL FACTORY COST OF PRODUCT	65.49	57.25
GROSS PROFIT	34.51	42.75
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	15.61	13.46
Selling expenses	10.53	9.14
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	26.14	22.60
INCOME BEFORE INTEREST EXPENSE	8.37	20.15
Interest expense	3.81	1.74
OPERATING INCOME	4.56	18.41
Other income	1.15	1.39
INCOME BEFORE INCOME TAXES	5.71	19.80

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
X	X	X
X	X	X
100.00%	100.00%	100.00%
46.86	47.61	35.64
18.70	18.37	21.15
65.56	65.98	56.79
34.44	34.02	43.21
8.42	13.00	14.66
9.01	10.95	11.42
17.43	23.95	26.08
17.01	10.07	17.13
1.48	2.77	1.67
15.53	7.30	15.46
1.78	2.45	3.26
17.31	9.75	18.72

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	3.36%	3.65%
Direct wages	30.70	23.81
General factory salaries and wages	3.48	3.64
Packing, shipping and delivery wages	1.15	0.66
Payroll taxes	2.66	2.30
Employee benefits	3.57	3.92
TOTAL FACTORY PAYROLL	44.92	37.98
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.34	0.44
Depreciation - other	3.99	3.26
Taxes - real estate	0.40	0.30
Taxes - other	0.26	0.36
Insurance	0.64	1.14
Building rent	1.36	0.58
Utilities - heat, light, etc.	2.05	1.96
Equipment rental	0.55	1.30
Total Fixed Expenses	9.59	9.34
Other Expenses		
Factory supplies and expense	3.74	4.31
Packing, shipping and delivery expense	2.31	1.39
Repairs and maintenance	2.63	1.91
Other factory expenses	2.30	2.32
Total Other Expenses	10.98	9.93
TOTAL FACTORY EXPENSES	20.57	19.27
ADMINISTRATIVE EXPENSES		
Salaries - executive	4.17	4.98
Salaries - office	3.80	3.00
Payroll taxes	0.58	0.44
Employee benefits	0.92	1.53
Bad debts	0.81	0.34
Office supplies and expenses	0.89	0.44
Professional fees	0.93	0.76
Taxes - business	0.43	0.28
Telephone	0.64	0.45
Other administrative expenses	2.44	1.24
TOTAL ADMINISTRATIVE EXPENSES	15.61	13.46
SELLING EXPENSES		
Salaries - executive	1.21	1.41
Salaries and commissions - salesmen	4.32	2.27
Salaries - sales office clerical	1.66	1.74
Payroll taxes	0.39	0.31
Employee benefits	0.39	0.42
Advertising	0.41	0.84
Travel and entertainment	0.97	1.05
Other selling expenses	1.18	1.10
TOTAL SELLING EXPENSES	10.53	9.14

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
2.83%	4.09%	2.43%
31.25	31.99	25.29
5.07	3.16	1.80
1.17	1.34	1.08
2.11	2.77	2.34
4.43	4.26	2.70
46.86	47.61	35.64
0.64	0.40	0.41
3.47	4.32	5.88
0.83	0.68	0.58
0.38	0.07	0.07
0.37	0.81	0.79
1.53	1.13	1.47
2.71	2.13	2.47
0.88	0.36	0.43
10.81	9.90	12.10
3.29	3.52	3.51
0.66	0.81	0.96
2.36	3.35	3.61
1.58	0.79	0.97
7.89	8.47	9.05
18.70	18.37	21.15
2.09	3.36	4.08
2.39	3.47	3.87
0.19	0.48	0.61
0.64	1.08	0.66
0.31	0.81	1.44
0.50	0.80	0.56
0.61	0.86	0.80
0.06	0.21	0.15
0.56	0.91	1.22
1.07	1.02	1.27
8.42	13.00	14.66
1.25	1.25	1.49
2.65	5.34	6.29
2.07	1.20	0.43
0.23	0.48	0.41
0.89	0.34	0.30
0.21	0.31	0.34
0.77	1.69	1.92
0.94	0.34	0.24
9.01	10.95	11.42

REPORT ON OPERATIONS - SALES = 100%

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%
FACTORY COST OF PRODUCT		
MATERIALS		
Paper	22.89	19.67
Other chargeable materials	5.80	6.60
Outside services	9.02	10.48
TOTAL MATERIALS	37.71	36.75
FACTORY PAYROLL	28.04	24.20
FACTORY EXPENSES	12.76	12.22
TOTAL FACTORY COST OF PRODUCT	78.51	73.17
GROSS PROFIT	21.49	26.83
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	9.74	8.41
Selling expenses	6.55	5.88
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	16.29	14.29
INCOME BEFORE INTEREST EXPENSE	5.20	12.54
Interest expense	2.30	1.05
OPERATING INCOME	2.90	11.49
Other income	0.71	0.89
INCOME BEFORE INCOME TAXES	3.61	12.38

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS		
Ink	0.98%	1.08%
Film	1.36	1.45
Plates	1.59	1.80
Other chargeable materials	1.87	2.27
TOTAL OTHER CHARGEABLE MATERIALS	5.80	6.60
OUTSIDE SERVICES		
Composition	1.01	0.71
Offset preparation	1.41	1.03
Printing	2.20	4.57
Binding	2.99	3.19
Other outside services	1.41	0.98
TOTAL OUTSIDE SERVICES	9.02	10.48

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%
23.78	29.96	29.19
12.05	7.75	5.92
2.75	9.47	11.86
38.58	47.18	46.97
28.94	25.23	19.03
11.68	9.69	11.11
79.20	82.10	77.11
20.80	17.90	22.89
5.06	6.80	7.75
5.27	5.81	6.23
10.33	12.61	13.98
10.47	5.29	8.91
0.83	1.39	0.83
9.64	3.90	8.08
1.33	1.29	1.69
10.97	5.19	9.77
2.29%	2.63%	3.69%
1.67	1.39	0.80
1.52	1.93	1.14
6.57	1.80	0.29
12.05	7.75	5.92
0.08	0.29	0.00
0.09	0.41	0.00
0.20	0.23	0.00
1.30	5.63	0.00
1.08	2.91	11.86
2.75	9.47	11.86

SUPPORTING SCHEDULES - SALES = 100%

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	2.09%	2.35%
Direct wages	19.10	14.95
General factory salaries and wages	2.20	2.44
Packing, shipping and delivery wages	0.71	0.44
Payroll taxes	1.67	1.49
Employee benefits	2.27	2.53
TOTAL FACTORY PAYROLL	28.04	24.20
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.21	0.27
Depreciation - other	2.45	2.03
Taxes - real estate	0.26	0.20
Taxes - other	0.17	0.25
Insurance	0.40	0.70
Building rent	0.81	0.34
Utilities - heat, light, etc.	1.29	1.25
Equipment rental	0.35	0.83
Total Fixed Expenses	5.94	5.87
Other Expenses		
Factory supplies and expense	2.36	2.79
Packing, shipping and delivery expense	1.43	0.90
Repairs and maintenance	1.63	1.21
Other factory expenses	1.40	1.45
Total Other Expenses	6.82	6.35
TOTAL FACTORY EXPENSES	12.76	12.22
ADMINISTRATIVE EXPENSES		
Salaries - executive	2.59	3.04
Salaries - office	2.36	1.86
Payroll taxes	0.37	0.27
Employee benefits	0.60	1.01
Bad debts	0.50	0.22
Office supplies and expenses	0.56	0.27
Professional fees	0.59	0.48
Taxes - business	0.27	0.19
Telephone	0.39	0.27
Other administrative expenses	1.51	0.80
TOTAL ADMINISTRATIVE EXPENSES	9.74	8.41
SELLING EXPENSES		
Salaries - executive	0.75	0.88
Salaries and commissions - salesmen	2.67	1.51
Salaries - sales office clerical	1.03	1.13
Payroll taxes	0.24	0.20
Employee benefits	0.25	0.27
Advertising	0.25	0.52
Travel and entertainment	0.61	0.65
Other selling expenses	0.75	0.72
TOTAL SELLING EXPENSES	6.55	5.88

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
1.86%	2.23%	1.39%
19.34	16.76	13.15
2.98	1.74	1.06
0.73	0.72	0.64
1.36	1.45	1.23
2.67	2.33	1.56
28.94	25.23	19.03
0.42	0.22	0.23
2.16	2.34	3.13
0.48	0.35	0.29
0.20	0.04	0.04
0.22	0.41	0.36
0.85	0.58	0.77
1.78	1.12	1.29
0.62	0.17	0.23
6.73	5.23	6.34
2.07	1.91	1.84
0.45	0.45	0.57
1.40	1.73	1.91
1.03	0.37	0.45
4.95	4.46	4.77
11.68	9.69	11.11
1.27	1.84	2.32
1.45	1.73	1.80
0.12	0.25	0.32
0.38	0.56	0.36
0.18	0.44	0.83
0.32	0.41	0.28
0.37	0.43	0.41
0.03	0.12	0.09
0.35	0.49	0.68
0.59	0.53	0.66
5.06	6.80	7.75
0.72	0.67	0.83
1.57	2.77	3.37
1.21	0.67	0.26
0.14	0.24	0.23
0.51	0.19	0.18
0.11	0.18	0.21
0.46	0.90	1.01
0.55	0.19	0.14
5.27	5.81	6.23

BALANCE SHEET

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
ASSETS		
CURRENT ASSETS		
Cash	3.32%	6.22%
Receivables	34.62	33.09
Inventories	16.64	15.64
Other current assets	3.77	7.93
TOTAL CURRENT ASSETS	58.35	62.88
FIXED ASSETS		
Real estate	15.29	16.99
Less: Accumulated depreciation	5.11	5.71
	10.18	11.28
Machinery and equipment	54.17	30.52
Less: Accumulated depreciation	32.19	16.25
	21.98	14.27
Other fixed assets	7.98	9.39
Less: Accumulated depreciation	2.72	1.34
	5.26	8.05
NET FIXED ASSETS	37.42	33.60
OTHER ASSETS	4.23	3.52
TOTAL ASSETS	100.00	100.00
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Notes payable	11.68	2.78
Accounts payable	15.15	8.75
Other current liabilities	8.88	10.18
TOTAL CURRENT LIABILITIES	35.71	21.71
LONG-TERM LIABILITIES	27.18	11.49
TOTAL LIABILITIES	62.89	33.20
SHAREHOLDERS' AND PROPRIETORS' EQUITY	37.11	66.80
TOTAL LIABILITIES AND EQUITY	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.63	2.90
QUICK RATIO	1.17	2.18
TOTAL LIABILITIES TO EQUITY	1.69	0.50
LONG-TERM LIABILITIES TO EQUITY	0.73	0.17
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.59	0.53

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
0.53%	3.99%	8.74%
30.91	39.69	37.85
14.05	20.30	19.34
5.74	2.78	2.73
51.23	66.76	68.66
23.72	9.92	7.51
5.09	3.42	2.26
18.63	6.50	5.25
53.08	56.86	58.77
28.40	33.32	35.47
24.68	23.54	23.30
5.56	4.91	6.34
1.55	3.16	3.89
4.01	1.75	2.45
47.32	31.79	31.00
1.45	1.45	0.34
100.00	100.00	100.00
4.14	14.04	2.70
13.93	19.10	16.40
9.96	7.99	9.80
28.03	41.13	28.90
19.60	17.91	13.80
47.63	59.04	42.70
52.37	40.96	57.30
100.00	100.00	100.00
1.83	1.62	2.38
1.33	1.13	1.71
0.91	1.44	0.75
0.37	0.44	0.24
0.54	0.59	0.60

SIGNIFICANT FACTS

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Average assets per employee - All employees	$ 33,450	$ 45,146
Average assets per factory employee (Excluding Executives)	45,676	60,588
Average net worth per employee - All employees	13,161	29,833
Average gross plant investment per factory employee (Excluding Executives)	34,365	35,679
Net worth percentage of fixed assets	136.87%	244.78%
EMPLOYEES		
Percent factory - All employees	77.79%	78.66%
Percent administrative - All employees	12.52	14.28
Percent sales - All employees	9.69	7.06
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES		
Sales per employee - All employees	$ 58,652	$ 76,033
Sales per factory employee	76,254	96,865
Sales less material per factory employee	47,147	60,535
Sales per administrative employee	563,605	746,363
EXCLUDING EXECUTIVES		
Sales per employee - All employees	64,623	86,896
Sales per factory employee	80,378	102,625
Sales less material per factory employee	49,698	64,207
SALES PER SALESMAN	978,849	1,169,256
SALES TO CURRENT ASSETS	336%	305%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES		
Total payroll percentage of sales	38.92%	34.37%
Factory payroll percentage of gross plant investment	81.86	105.55
Payroll per employee - All employees	$ 21,621	$ 23,721
Payroll per factory employee	20,072	20,944
Payroll per administrative employee	28,053	35,140
Payroll per sales employee	29,529	32,456
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES		
Payroll per employee - All employees	$ 16,723	$ 16,733
Payroll per factory employee	16,419	16,286
Payroll per administrative employee	14,653	13,999
Payroll per sales employee	21,487	15,155
EXECUTIVE PAYROLL		
Payroll per executive - All executives	40,416	42,100
Payroll per factory executive	31,439	34,247
Payroll per administrative executive	47,979	49,723
Payroll per sales executive	31,629	41,762
RECEIVABLES		
Collection period	69.3	63.8
PROFIT		
Gross profit percentage of sales	21.49%	26.83%
Average gross profit per factory employee	$ 18,603	$ 29,496
Income before taxes percentage of sales	3.61%	12.38%
Average income before taxes per employee	$ 3,224	$ 10,663

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 39,268	$ 40,864	$ 53,798
49,639	53,455	69,884
20,738	18,396	30,283
40,821	38,602	52,361
110.03%	147.26%	234.21%
82.33%	81.71%	79.99%
7.55	9.80	11.66
10.12	8.49	8.35
$ 71,480	$ 78,178	$ 92,424
88,056	97,055	116,017
52,693	49,556	59,732
958,043	921,113	1,111,141
75,541	84,884	99,637
91,199	102,464	120,512
54,719	52,485	62,329
2,090,448	1,188,941	1,570,321
357%	312%	257%
36.33%	34.14%	28.70%
63.21	77.37	51.90
$ 25,658	$ 25,456	$ 26,018
24,680	22,658	21,457
31,107	34,927	38,409
38,314	46,206	62,756
$ 20,415	$ 19,770	$ 19,892
20,517	18,489	17,536
17,252	17,927	20,040
28,228	38,248	50,993
49,357	44,015	52,419
40,561	31,823	28,875
73,755	55,524	57,198
92,577	50,663	63,009
62.1	75.7	87.5
20.80%	17.90%	22.89%
$ 18,835	$ 18,632	$ 26,996
10.97%	5.19%	9.77%
$ 7,616	$ 4,370	$ 8,902

RETURN ON INVESTMENT - PER $100 OF SALES

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Current Assets:		
Cash	$ 1.81	$ 3.51
Receivables	18.00	17.23
Inventories	9.09	8.81
Marketable securities	0.83	1.93
Other current assets	1.21	2.22
	30.94	33.70
Plant Investment:		
Land and building	9.58	10.34
Machinery and equipment	30.08	16.92
Other fixed assets	4.87	6.26
	44.53	33.52
Non-Current Assets	2.90	2.74
TOTAL INVESTMENT	78.37	69.96
INVESTMENT TURNOVER PER $100 OF SALES	127.60%	142.94%
EARNINGS		
Cost of Product	$78.51	$73.17
Selling Expenses	6.55	5.88
Administrative Expenses	9.74	8.41
	94.80	87.46
Income Before Interest, Other Income, and Taxes	5.20	12.54
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	6.64%	17.92%

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 0.34	$ 1.62	$ 3.40
16.62	20.15	22.76
7.49	10.17	11.26
3.22	0.50	1.09
0.34	1.07	0.92
28.01	33.51	39.43
14.42	5.68	5.86
29.10	29.72	36.74
2.96	2.55	3.75
46.48	37.95	46.35
0.91	0.67	0.19
75.40	72.13	85.97
132.63%	138.64%	116.32%
$79.20	$82.10	$77.11
5.27	5.81	6.23
5.06	6.80	7.75
89.53	94.71	91.09
10.47	5.29	8.91
13.89%	7.33%	10.36%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	PRINTING AND BINDING		PRINTING ONLY	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	45.72	37.39	45.72	40.15
FACTORY EXPENSES	20.19	19.98	17.97	20.14
TOTAL FACTORY COST OF PRODUCT	65.91	57.37	63.69	60.29
GROSS PROFIT	34.09	42.63	36.31	39.71
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	14.93	13.90	12.02	11.67
Selling expenses	10.29	9.16	12.32	11.17
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	25.22	23.06	24.34	22.84
INCOME BEFORE INTEREST EXPENSE	8.87	19.57	11.97	16.87
Interest expense	3.50	1.38	2.89	2.35
OPERATING INCOME	5.37	18.19	9.08	14.52
Other income	1.44	1.96	2.13	3.16
INCOME BEFORE INCOME TAXES	6.81	20.15	11.21	17.68

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	PRINTING AND BINDING		PRINTING ONLY	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	3.65%	3.42%	2.71%	2.85%
Direct wages	30.69	23.75	33.56	28.96
General factory salaries and wages	3.54	3.27	3.06	2.32
Packing, shipping and delivery wages	1.25	0.92	0.84	0.64
Payroll taxes	2.61	2.22	3.01	2.79
Employee benefits	3.98	3.81	2.54	2.59
TOTAL FACTORY PAYROLL	45.72	37.39	45.72	40.15
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.39	0.51	0.23	0.35
Depreciation - other	4.14	3.89	3.40	5.02
Taxes - real estate	0.44	0.31	0.90	0.71
Taxes - other	0.24	0.30	0.05	0.08
Insurance	0.68	1.00	0.64	0.82
Building rent	1.40	0.91	0.71	0.78
Utilities - heat, light, etc.	2.03	2.00	2.60	3.16
Equipment rental	0.49	1.18	0.72	0.64
Total Fixed Expenses	9.81	10.10	9.25	11.56
Other Expenses				
Factory supplies and expense	3.83	4.13	2.60	3.59
Packing, shipping and delivery expense	2.05	1.58	0.36	0.18
Repairs and maintenance	2.52	2.16	4.65	3.40
Other factory expenses	1.98	2.01	1.11	1.41
Total Other Expenses	10.38	9.88	8.72	8.58
TOTAL FACTORY EXPENSES	20.19	19.98	17.97	20.14
ADMINISTRATIVE EXPENSES				
Salaries - executive	4.02	4.97	2.65	2.72
Salaries - office	3.67	3.07	3.42	3.73
Payroll taxes	0.55	0.50	0.43	0.40
Employee benefits	1.03	1.37	0.45	0.52
Bad debts	0.75	0.71	0.99	0.67
Office supplies and expenses	0.75	0.48	1.47	0.54
Professional fees	0.93	0.74	0.71	0.81
Taxes - business	0.40	0.28	0.08	0.02
Telephone	0.70	0.73	0.72	0.70
Other administrative expenses	2.13	1.05	1.10	1.56
TOTAL ADMINISTRATIVE EXPENSES	14.93	13.90	12.02	11.67
SELLING EXPENSES				
Salaries - executive	1.13	1.30	1.83	1.63
Salaries and commissions - salesmen	4.29	3.07	5.98	5.16
Salaries - sales office clerical	1.61	1.38	1.20	0.98
Payroll taxes	0.38	0.33	0.54	0.35
Employee benefits	0.43	0.39	0.24	0.40
Advertising	0.42	0.80	0.02	0.02
Travel and entertainment	1.04	0.96	1.85	2.33
Other selling expenses	0.99	0.93	0.66	0.30
TOTAL SELLING EXPENSES	10.29	9.16	12.32	11.17

REPORT ON OPERATIONS - SALES = 100%

	PRINTING AND BINDING		PRINTING ONLY	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIALS				
Paper	24.51	21.50	26.71	24.14
Other chargeable materials	6.65	7.16	6.58	7.65
Outside services	7.68	7.64	16.23	17.35
TOTAL MATERIALS	38.84	36.30	49.52	49.14
FACTORY PAYROLL	27.96	24.10	23.33	21.04
FACTORY EXPENSES	12.32	12.74	9.05	10.01
TOTAL FACTORY COST OF PRODUCT	79.12	73.14	81.90	80.19
GROSS PROFIT	20.88	26.86	18.10	19.81
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	9.16	8.69	5.83	5.58
Selling expenses	6.27	5.87	6.42	5.91
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	15.43	14.56	12.25	11.49
INCOME BEFORE INTEREST EXPENSE	5.45	12.30	5.85	8.32
Interest expense	2.08	0.84	1.33	1.19
OPERATING INCOME	3.37	11.46	4.52	7.13
Other income	0.88	1.27	1.01	1.54
INCOME BEFORE INCOME TAXES	4.25	12.73	5.53	8.67

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	1.05%	0.74%	3.70%	4.58%
Film	1.54	1.72	0.80	0.97
Plates	1.82	2.13	1.22	1.34
Other chargeable materials	2.24	2.57	0.86	0.76
TOTAL OTHER CHARGEABLE MATERIALS	6.65	7.16	6.58	7.65
OUTSIDE SERVICES				
Composition	0.79	0.52	0.29	0.00
Offset preparation	1.08	0.75	0.65	0.00
Printing	1.68	3.32	0.00	0.00
Binding	2.91	2.33	8.09	0.00
Other outside services	1.22	0.72	7.20	17.35
TOTAL OUTSIDE SERVICES	7.68	7.64	16.23	17.35

SUPPORTING SCHEDULES - SALES = 100%

	PRINTING AND BINDING		PRINTING ONLY	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.22%	2.22%	1.40%	1.64%
Direct wages	18.74	15.16	16.97	14.75
General factory salaries and wages	2.18	2.20	1.73	1.37
Packing, shipping and delivery wages	0.76	0.60	0.39	0.36
Payroll taxes	1.60	1.44	1.57	1.45
Employee benefits	2.46	2.48	1.27	1.47
TOTAL FACTORY PAYROLL	27.96	24.10	23.33	21.04
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.24	0.32	0.13	0.19
Depreciation - other	2.51	2.45	1.77	2.49
Taxes - real estate	0.27	0.21	0.45	0.35
Taxes - other	0.15	0.20	0.03	0.05
Insurance	0.41	0.61	0.28	0.34
Building rent	0.82	0.55	0.27	0.30
Utilities - heat, light, etc.	1.26	1.30	1.35	1.66
Equipment rental	0.31	0.76	0.34	0.35
Total Fixed Expenses	5.97	6.40	4.62	5.73
Other Expenses				
Factory supplies and expense	2.37	2.69	1.32	1.80
Packing, shipping and delivery expense	1.26	1.01	0.19	0.10
Repairs and maintenance	1.53	1.37	2.38	1.71
Other factory expenses	1.19	1.27	0.54	0.67
Total Other Expenses	6.35	6.34	4.43	4.28
TOTAL FACTORY EXPENSES	12.32	12.74	9.05	10.01
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.47	3.06	1.36	1.44
Salaries - office	2.24	1.92	1.52	1.54
Payroll taxes	0.34	0.31	0.20	0.18
Employee benefits	0.63	0.89	0.21	0.25
Bad debts	0.46	0.44	0.50	0.36
Office supplies and expenses	0.47	0.30	0.77	0.25
Professional fees	0.57	0.47	0.33	0.40
Taxes - business	0.24	0.18	0.04	0.01
Telephone	0.43	0.45	0.35	0.35
Other administrative expenses	1.31	0.67	0.55	0.80
TOTAL ADMINISTRATIVE EXPENSES	9.16	8.69	5.83	5.58
SELLING EXPENSES				
Salaries - executive	0.68	0.82	1.01	0.90
Salaries and commissions - salesmen	2.61	1.99	2.97	2.58
Salaries - sales office clerical	0.98	0.90	0.66	0.60
Payroll taxes	0.23	0.21	0.28	0.19
Employee benefits	0.26	0.25	0.14	0.24
Advertising	0.26	0.49	0.01	0.01
Travel and entertainment	0.63	0.60	0.95	1.21
Other selling expenses	0.62	0.61	0.40	0.18
TOTAL SELLING EXPENSES	6.27	5.87	6.42	5.91

BALANCE SHEET

	PRINTING AND BINDING		PRINTING ONLY	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	3.50%	7.53%	2.35%	3.92%
Receivables	34.50	31.87	44.04	39.91
Inventories	16.69	14.34	22.63	22.57
Other current assets	3.74	7.80	2.73	2.30
TOTAL CURRENT ASSETS	58.43	61.54	71.75	68.70
FIXED ASSETS				
Real estate	15.61	19.03	5.79	5.88
Less: Accumulated depreciation	4.91	5.60	3.05	2.30
	10.70	13.43	2.74	3.58
Machinery and equipment	53.58	36.53	62.96	55.95
Less: Accumulated depreciation	31.12	21.78	39.93	29.85
	22.46	14.75	23.03	26.10
Other fixed assets	7.58	9.44	3.51	3.32
Less: Accumulated depreciation	2.86	2.32	2.16	1.85
	4.72	7.12	1.35	1.47
NET FIXED ASSETS	37.88	35.30	27.12	31.15
OTHER ASSETS	3.69	3.16	1.13	0.15
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	11.11	2.78	17.18	2.47
Accounts payable	15.85	8.82	17.92	18.06
Other current liabilities	8.32	9.26	11.20	13.95
TOTAL CURRENT LIABILITIES	35.28	20.86	46.30	34.48
LONG-TERM LIABILITIES	25.16	11.20	18.96	16.92
TOTAL LIABILITIES	60.44	32.06	65.26	51.40
SHAREHOLDERS' AND PROPRIETORS' EQUITY	39.56	67.94	34.74	48.60
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.66	2.95	1.55	1.99
QUICK RATIO	1.18	2.26	1.06	1.34
TOTAL LIABILITIES TO EQUITY	1.53	0.47	1.88	1.06
LONG-TERM LIABILITIES TO EQUITY	0.64	0.16	0.55	0.35
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.58	0.60	0.63	0.53

SIGNIFICANT FACTS

	PRINTING AND BINDING		PRINTING ONLY	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 34,548	$ 46,464	$ 43,358	$ 51,484
Average assets per factory employee (Excluding Executives)	46,754	62,206	55,710	64,267
Average net worth per employee - All employees	14,590	30,820	17,228	25,879
Average gross plant investment per factory employee (Excluding Executives)	35,242	41,072	39,628	44,839
Net worth percentage of fixed assets	138.62%	247.09%	135.34%	180.98%
EMPLOYEES				
Percent factory - All employees	78.98%	78.99%	79.59%	82.98%
Percent administrative - All employees	11.67	13.72	10.73	9.81
Percent sales - All employees	9.35	7.29	9.68	7.21
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 61,189	$ 74,676	$ 86,093	$ 98,465
Sales per factory employee	78,420	94,991	108,281	120,210
Sales less material per factory employee	47,437	59,752	52,272	59,004
Sales per administrative employee	602,753	660,726	1,178,021	1,584,770
EXCLUDING EXECUTIVES				
Sales per employee - All employees	67,242	84,420	92,225	105,562
Sales per factory employee	82,861	100,144	112,493	125,563
Sales less material per factory employee	50,110	63,049	54,564	62,121
SALES PER SALESMAN	1,083,075	1,783,652	1,355,943	1,509,522
SALES TO CURRENT ASSETS	337%	291%	294%	298%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES				
Total payroll percentage of sales	38.41%	34.45%	31.68%	28.95%
Factory payroll percentage of gross plant investment	79.73	83.95	79.48	83.43
Payroll per employee - All employees	$ 22,424	$ 23,865	$ 25,606	$ 27,520
Payroll per factory employee	20,627	20,709	23,425	23,784
Payroll per administrative employee	29,769	34,531	31,697	41,703
Payroll per sales employee	31,624	35,948	52,572	69,368
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 17,236	$ 16,932	$ 20,906	$ 21,962
Payroll per factory employee	16,773	16,119	19,863	19,950
Payroll per administrative employee	15,628	15,415	15,811	19,759
Payroll per sales employee	23,806	20,806	42,403	54,314
EXECUTIVE PAYROLL				
Payroll per executive - All executives	41,551	45,506	43,698	49,286
Payroll per factory executive	32,311	35,742	30,100	24,406
Payroll per administrative executive	51,942	56,082	47,224	58,573
Payroll per sales executive	36,404	47,931	62,563	81,627
RECEIVABLES				
Collection period	69.3	69.8	79.4	74.6
PROFIT				
Gross profit percentage of sales	20.88%	26.86%	18.10%	19.81%
Average gross profit per factory employee	$ 18,393	$ 28,627	$ 20,144	$ 24,574
Income before taxes percentage of sales	4.25%	12.73%	5.53%	8.67%
Average income before taxes per employee	$ 3,523	$ 10,485	$ 5,303	$ 8,535

RETURN ON INVESTMENT - PER $100 OF SALES

	PRINTING AND BINDING		PRINTING ONLY	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 1.78	$ 3.75	$ 1.02	$ 1.70
Receivables	18.10	18.57	21.06	19.84
Inventories	9.06	8.87	10.76	11.02
Marketable securities	0.87	2.21	0.87	1.45
Other current assets	1.19	2.11	0.75	0.19
	31.00	35.51	34.46	34.20
Plant Investment:				
Land and building	9.63	12.10	3.44	4.06
Machinery and equipment	29.62	22.54	31.89	30.94
Other fixed assets	4.54	6.28	1.65	1.58
	43.79	40.92	36.98	36.58
Non-Current Assets	2.47	2.39	0.54	0.08
TOTAL INVESTMENT	77.26	78.82	71.98	70.86
INVESTMENT TURNOVER PER $100 OF SALES	129.43%	126.87%	138.93%	141.12%
EARNINGS				
Cost of Product	$79.12	$73.14	$81.90	$80.19
Selling Expenses	6.27	5.87	6.42	5.91
Administrative Expenses	9.16	8.69	5.83	5.58
	94.55	87.70	94.15	91.68
Income Before Interest, Other Income, and Taxes	5.45	12.30	5.85	8.32
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	7.05%	15.61%	8.13%	11.74%

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	38	$ 4,620,000	$ 8,178,000	$ 487,000
TOTAL - PROFIT LEADERS*	12	6,315,000	10,163,000	1,105,000
BY SIZE OF FIRM				
ALL FIRMS				
$500,000-$1,500,000	3	514,000	774,000	56,000
$1,500,000-$5,000,000	14	1,634,000	2,852,000	33,000
$5,000,000-$10,000,000	11	3,516,000	7,174,000	300,000
Over $10,000,000	10	11,248,000	18,962,000	1,456,000
PROFIT LEADERS				
$500,000-$1,500,000	2	287,000	542,000	67,000
$1,500,000-$5,000,000	2	1,496,000	2,481,000	444,000
$5,000,000-$10,000,000	3	3,490,000	6,396,000	624,000
Over $10,000,000	5	12,350,000	19,343,000	2,074,000
BY PROCESS SPECIALTY				
ALL FIRMS				
Sheet-Fed Offset	26	3,936,000	6,890,000	315,000
Web-Fed Offset	2	12,363,000	20,473,000	2,746,000
Combination--Sheet-Fed/Web-Fed Offset	10	4,850,000	9,068,000	482,000
PROFIT LEADERS				
Sheet-Fed Offset	7	4,461,000	7,434,000	684,000
Combination--Sheet-Fed/Web-Fed Offset	4	5,858,000	9,121,000	981,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Printing and Binding	33	4,546,000	8,006,000	465,000
Printing Only	5	5,115,000	9,315,000	631,000
PROFIT LEADERS				
Printing and Binding	9	6,186,000	9,677,000	1,130,000
Printing Only	3	6,701,000	11,620,000	1,032,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in these books, these figures are arithmetic averages. See explanatory note on page 42.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales: Firm's Ratio Factory Payroll	% of Sales: PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

HOW DO YOU COMPARE IN NORTH AMERICA?

The Individual Company Computer Printout is a fundamental part of the PIA Financial Ratio Study. It is a detailed, well-organized presentation of key financial information that encompasses every facet of your printing business. It contains data specific to your company that are not available in the published volumes of the study. The Individual Company Computer Printout, designed with you, the busy printing executive in mind, is a concise presentation of:

- Your firm's operating statement;
- Your firm's balance sheet;
- Supporting schedules for your firm's income statement and balance sheet; and
- Your firm's Return on Investment.

In addition:

- Your firm's financial data are expressed in dollars and ratio form;
- The ratios of your printing firm are compared side by side with the ratios of all other ratio study participants and "profit leaders," based on both sales revenue and value added. Ratios of survey participants and "profit leaders" that produce the same products and use the same manufacturing process are also presented for your immediate comparison;
- Using the same presentation format described in the previous item, the ratios of your printing firm are also compared side by side with the ratios of all survey participants and "profit leaders" that are approximately the same size in terms of sales; and
- Finally, "significant facts" statistics are presented to help you gauge where your company stands relative to industry "profit leaders" and the U.S. and Canadian printing industries as a whole.

Because of the detail that the Individual Company Computer Printout contains, it can quickly help you identify those areas and operations of your business that are running efficiently and those that are not. You'll be able to ascertain the seriousness of problems and how much corrective action is necessary. The bottom line is that you can purchase all of these data for a small fraction of what you would have to pay if you generated a similar analysis from scratch.

If you are part of the 1984 database, and have not already done so, I urge you to make the investment. If you are not part of the database, please consider participating in the 1985 PIA Financial Ratio Study and availing yourself of this particular service.

William A. Rose, II
Director
PIA Financial Services